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ALABAMA Business & ECONOMIC INDICATORS

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DEBATING JOB GROWTH IN ALABAMA

One can always tell when election time rolls around by sudden interest in the state's job growth. Incumbents claim all job growth which occurred during their tenure is the direct result of their leadership. Challengers look for reasons to disassociate that growth from the actions of the incumbents. Yet with our attention focused on the creation of jobs, we may lose sight of the fact that job growth is not the only way (and perhaps not even the best way) to monitor economic growth.

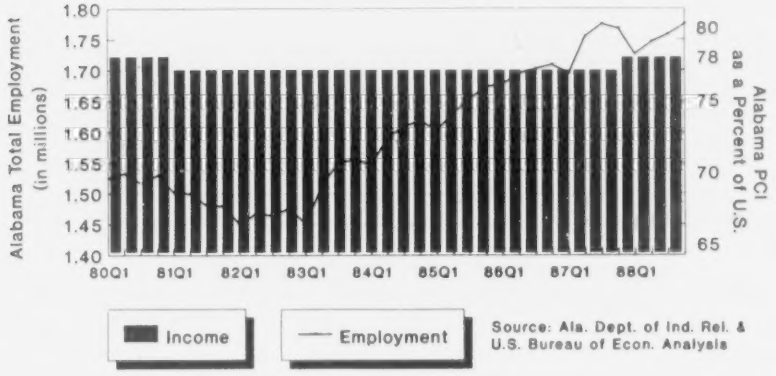
The ultimate goal of economic growth should be to raise the standard of living of the residents of the state. If we measure the standard of living by focusing on the average income of Alabamians over the past eight years, we can cite a modest increase in the real standard of living ($9,315 real per capita income in 1981 vs. $10,859 in 1988 for Alabama, an increase of only 16 percent during eight years). But when we focus on the relative income of the average Alabamian compared to the rest of the United States, there has been little progress in the past eight years. Alabama's per capita income was 78 percent of the U.S. average in 1989 and has shown little or no improvement in spite of the job growth which has occurred since 1982.

Creating jobs is relatively easy. Creating the right kinds of jobs, ones that will allow Alabama to close the income gap, is not easy nor is it quick. To create the right kinds of jobs we must recognize that an individual's pay is a reflection of his or her economic value to an employer. This economic value in turn depends upon the kinds of goods (and services!) that are produced (i.e., low or high valued items in the marketplace) and how efficiently they are produced. Low valued items, no matter how efficiently they are produced, offer little room for high wages. High valued items inefficiently produced are at a competitive disadvantage in our global economy and thus also offer little hope for high wages.

How can Alabama attract the "right" kinds of jobs, ones which offer wages higher than the state average today? We can do it by recognizing that employers producing high valued items follow the availability of a highly skilled and productive work force. We can do it by adopting a strategy that focuses on job skills, not just on the creation of jobs. Such a strategy is not likely to show immediate results in terms of either job creation or reductions in the income gap. But it is clear that the alternate strategy, of focusing on job growth, has not moved us up the income ladder.

William D. Gunther

Total Employment and
Relative Per Capita Income



Source: Ala. Dept. of Ind. Rel. & U.S. Bureau of Econ. Analysis

The New Look! Alabama Business

Alabama Business has a new look. Beginning with this issue, the magazine will assume a new format. *Alabama Business* has been published since 1930, and has seen numerous changes in look and style. But the purpose has always been the same--to bring to you timely information.

The University of Alabama

	TAXABLE RETAIL SALES (in thousands of current dollars)				LABOR FORCE		
	Nov 1989[P]	Oct 1989[r]	Oct 1988	Percent Change Oct 88-Oct 89	Civilian Labor Force Nov 1989	Unemployment Rate Nov 89	Oct 89
Alabama, State of	1,756,006	1,913,726	1,896,468	0.9	1,954,600	6.4	6.5
MSAs							
Anniston	44,436	50,284	51,188	-1.8	54,050	6.1	6.3
Birmingham	443,808	477,484	475,780	0.4	452,550	5.2	5.3
Decatur	49,034	53,149	57,790	-8.0	63,050	7.2	7.9
Dothan	61,481	64,712	57,320	12.9	61,550	5.1	5.2
Florence	63,357	70,906	64,154	10.5	62,670	7.1	7.1
Gadsden	40,987	44,258	43,817	1.0	43,980	9.0	8.9
Huntsville	112,109	131,151	110,623	18.6	141,200	4.8	4.8
Mobile	175,613	210,690	190,968	10.3	213,070	7.4	7.7
Montgomery	147,342	167,037	143,171	16.7	139,770	5.8	6.1
Tuscaloosa	64,105	65,551	62,316	5.2	74,040	4.2	4.8
Counties							
Autauga	12,814	14,155	10,596	33.6	16,390	7.2	7.8
Baldwin	31,766	40,505	30,940	30.9	40,450	6.7	6.1
Barbour	6,875	6,918	7,029	-1.6	12,490	6.2	6.3
Bibb	3,503	3,665	4,361	-16.0	7,170	9.1	6.3
Blount	8,607	9,398	9,663	-2.7	17,520	5.1	4.4
Bullock	1,701	1,828	1,855	-1.5	4,540	12.0	11.9
Butler	4,337	4,408	4,940	-10.8	9,040	13.8	10.4
Calhoun	44,436	50,284	51,188	-1.8	54,050	6.1	6.3
Chambers	10,310	11,281	10,208	10.5	17,020	4.8	5.3
Cherokee	4,672	5,577	4,400	26.8	8,650	7.7	7.5
Chilton	9,459	10,036	10,827	-7.3	15,120	9.8	8.2
Choctaw	3,005	2,857	2,973	-3.9	7,090	11.6	14.4
Clarke	7,112	8,517	8,513	0.0	11,220	7.2	8.2
Clay	2,786	2,960	2,835	4.4	6,720	5.7	5.4
Cleburne	2,335	2,658	2,439	9.0	5,610	5.1	4.8
Coffee	14,186	15,389	16,653	-7.6	18,540	5.4	5.8
Colbert	24,185	29,220	27,647	5.7	24,680	8.3	8.3
Conecuh	2,474	2,616	2,199	19.0	5,570	9.4	9.2
Coosa	936	996	1,049	-5.1	5,070	5.4	5.5
Covington	13,083	14,168	11,316	25.2	18,070	6.4	5.8
Crenshaw	3,309	3,644	3,464	5.2	7,180	6.6	5.0
Cullman	24,338	27,093	23,349	16.0	33,570	5.8	6.0
Dale	12,245	13,188	11,047	19.4	18,960	6.7	7.1
Dallas	14,508	15,903	17,683	-10.1	20,360	11.8	12.0
De Kalb	17,421	18,272	19,197	-4.8	31,250	5.4	5.5
Elmore	12,081	15,300	9,123	67.7	21,930	5.1	5.0
Escambia	9,556	9,974	10,843	-8.0	16,550	8.5	7.9
Etowah	40,987	44,258	43,817	1.0	43,980	9.0	8.9
Fayette	4,816	4,828	5,284	-8.6	8,330	7.7	8.2
Franklin	7,800	8,837	9,515	-7.1	14,870	10.0	9.8
Geneva	4,335	4,657	9,801	-52.5	11,120	5.6	5.2
Greene	1,787	1,792	1,619	10.7	3,780	9.5	10.7
Hale	2,663	2,693	2,524	6.7	6,340	6.7	7.0
Henry	3,474	4,045	3,958	2.2	6,940	5.6	5.3
Houston	49,236	51,524	46,273	11.3	42,590	4.4	4.3
Jackson	14,721	14,868	15,978	-6.9	21,680	8.9	9.2
Jefferson	358,208	386,635	391,658	-1.3	340,970	4.8	4.9
Lamar	2,896	3,006	2,746	9.5	8,960	7.9	8.6
Lauderdale	39,172	41,686	36,507	14.2	37,990	6.3	6.3
Lawrence	5,483	6,039	5,670	6.5	13,410	9.3	9.2
Lee	35,453	38,378	35,293	8.7	41,420	3.9	4.1
Limestone	16,450	17,668	17,330	2.0	32,350	5.1	4.9
Lowndes	1,947	1,828	1,597	14.5	6,170	11.2	10.9
Macon	4,825	5,526	3,614	52.9	10,310	6.3	5.9
Madison	112,109	131,151	110,623	18.6	141,200	4.8	4.8
Marengo	7,421	7,914	7,311	8.2	9,500	6.9	6.2
Marion	9,305	10,364	9,471	9.4	15,940	13.0	14.1
Marshall	36,607	36,751	36,117	1.8	39,550	6.2	6.1
Mobile	143,847	170,185	160,028	6.3	172,610	7.6	8.1
Monroe	9,479	9,084	6,267	44.9	9,710	11.2	10.6
Montgomery	122,447	137,582	123,452	11.4	101,450	5.7	6.0
Morgan	43,551	47,110	52,120	-9.6	49,640	6.6	7.5
Perry	2,023	1,980	1,689	17.2	5,930	13.2	10.4
Pickens	4,765	3,874	3,401	13.9	7,500	10.0	8.5
Pike	10,465	11,767	9,646	22.0	13,610	5.3	5.8
Randolph	5,069	5,911	5,158	14.6	9,680	7.2	6.4
Russell	12,502	12,724	10,453	21.7	23,550	4.8	5.1
St. Clair	11,308	12,394	11,919	4.0	22,250	5.5	5.3
Shelby	34,617	37,360	31,071	20.2	41,720	4.2	4.2
Sumter	2,848	3,324	3,003	10.7	6,180	8.5	7.5
Talladega	26,857	28,735	25,786	11.4	33,240	9.0	8.8
Tallapoosa	10,806	11,110	12,389	-10.3	19,130	5.5	5.6
Tuscaloosa	64,105	65,551	62,316	5.2	74,040	4.2	4.8
Walker	31,068	31,697	31,469	0.7	30,080	10.5	12.2
Washington	1,938	2,209	1,791	23.3	6,960	9.2	11.2
Wilcox	1,917	1,870	1,696	10.3	4,210	12.0	13.2
Winston	11,758	8,168	8,268	-1.2	10,860	10.9	10.0

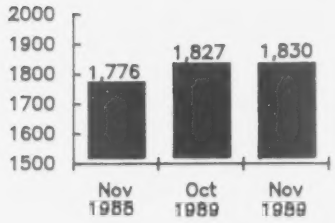
SELECTED ECONOMIC INDICATORS

	Nov 1989	Oct 1989	Nov 1988	Percent Change Nov 88-Nov 89	Annual 1987	Annual 1988
Prices						
Consumer Price Index, U.S. All Items (1982-84 = 100)	125.9	125.6	120.3	4.7	113.6	118.3
Producer Price Index, U.S. All commodities (1982 = 100)	112.7	112.7	108.3	4.1	102.8	106.9
Consumer Purchasing Power of the Dollar	0.79	0.80	0.83	-4.4	0.88	0.85
Alabama Employment						
Total Employment (1,000)	1,830.0	1,827.2	1,776.3	3.0	1,748.0	1,751.0
Nonagricultural	1,592.3	1,587.9	1,585.9	0.4	1,507.7	1,551.3
Manufacturing	386.5	386.6	382.0	1.2	368.8	378.9
Durable goods	188.8	188.9	187.2	0.9	178.0	184.4
Nondurable goods	197.7	197.7	194.8	1.5	190.8	194.5
Nonmanufacturing	1,205.8	1,201.3	1,203.9	0.2	1,138.9	1,172.4
Mining and quarrying	11.6	11.5	11.4	1.8	11.3	11.2
Contract construction	74.8	75.6	77.0	-2.9	75.1	77.4
Trans, comm., and utilities	79.2	79.1	79.2	0.0	73.3	79.0
Wholesale trade	81.9	81.8	80.1	2.2	78.4	79.5
Retail trade	269.6	265.7	267.7	0.7	253.3	259.9
Finance, insurance, real estate	71.7	71.7	70.6	1.6	70.5	70.2
Services and miscellaneous	298.6	298.3	289.8	3.0	276.5	286.1
Federal government	65.4	65.4	64.9	0.8	65.9	65.6
State and local government	253.0	252.2	263.2	-3.9	234.7	243.3
Other Alabama Indicators						
Bituminous coal production (1,000 net tons)	2,097	2,215	2,311	-9.3	24,870	26,055
Natural gas production (mil cu ft)	12,882	13,492	14,782	-12.9	155,990	176,008
Crude oil and condensate production (1,000 barrels)	1,476	1,498	1,691	-12.7	20,621	20,597
Cotton consumption (1,000 lbs.)	47,388	51,128	39,776	19.1	483,311	482,002
Shipments by water, Port of Mobile (1,000 tons)	3,553	2,576	2,668	33.1	29,363	32,684
Initial claims for unemployment benefits	n.a.	22,916	25,161	n.a.	349,204	348,271

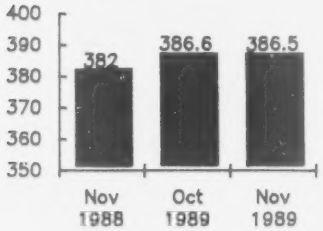
	Nov 1989	Oct 1989	Oct 1988	Percent Change Oct 88-Oct 89	Annual 1987	Annual 1988
Alabama Taxable Retail Sales ($1,000,000)						
Food	295	341	344	-0.9	4,093	4,128
General merchandise	234	254	253	0.5	2,862	3,047
Apparel	81	72	79	-8.7	853	933
Furniture, furnishings, etc.	88	80	86	-6.8	977	1,035
Automotive	292	319	322	-0.7	4,018	4,233
Gasoline service stations	23	25	24	3.0	286	294
Lumber and building materials	126	144	152	-4.9	1,677	1,713
Hardware and farm implements	20	19	19	-2.9	228	234
Eating and drinking places	151	171	164	4.1	1,791	1,915
Drug stores	31	32	32	-2.0	391	418
Miscellaneous retail	140	132	132	0.0	1,533	1,641
Nonretail & unclassified	275	324	289	12.1	3,160	3,414
Total, all sales at retail	1,756	1,914	1,896	0.9	21,868	23,006

Notes and Sources: Civilian labor force, unemployment, and total employment are adjusted by place of residence, and total nonagricultural employment and its components are by place of work. All monthly data are adjusted to a March benchmark of the previous year. Shipments by water include both inbound and outbound shipments moving through private facilities as well as through the Alabama State Docks; excludes tonnage for military installations. Retail sales data represent sales at retail which are subject to sales tax as reported to the Alabama Department of Revenue under the definition of the Alabama Sales Tax Law. Total sales figures include taxable sales at retail by wholesalers and other nonretail firms as well as retail concerns. Sales at retail thus defined should not be confused with all sales (including nonretail sales) by retail concerns as reported in the Census of Retail Trade. Monthly sales figures are preliminary and subject to revision on a continuing basis. Sales figures for the two latest months are normally low because they do not yet include data from late reporters. Retail sales historical data prior to 1984 are not available for the current series. MSA and county level sales are estimated for multi-county firms using the 1985 disaggregation survey conducted by the Alabama Department of Revenue. Data estimates, thus, may not reflect current disaggregations for these firms.

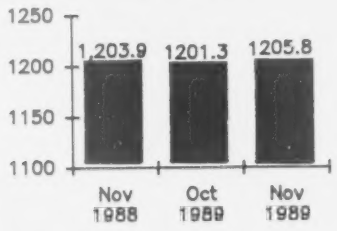
TOTAL EMPLOYMENT
(Thousands)



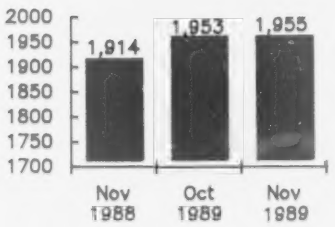
MANUFACTURING
EMPLOYMENT
(Thousands)



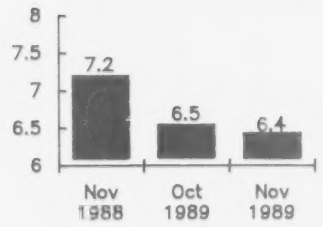
NONMANUFACTURING
EMPLOYMENT
(Thousands)



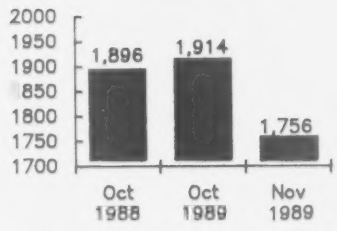
CIVILIAN LABOR FORCE
(Thousands)



UNEMPLOYMENT RATES
(Percent)



TOTAL RETAIL TRADE
(Millions $)



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All correspondence should be addressed to: Editor, *Alabama Business*, Center for Business and Economic Research, Division of Research and Service, The University of Alabama, Box 870221, Tuscaloosa, Alabama 35487-0221. Phone (205) 348-6191.

Center for Business and Economic Research
The University of Alabama
Box 870221
Tuscaloosa, AL 35487-0221

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